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**ANNEX TO MEMORANDUM ON BRITISH GUIANA ELECTIONS DATED 9 AUGUST**

1. Area: The area of British Guiana is approximately 83,000 square miles, of which about 85 percent is forest, 10 percent savannah country, and 5 percent coastal plain.

2. Topography: Most of the population and agricultural activity is concentrated in the 10-to-40 mile wide alluvial coastal plain, most of which has been reclaimed from the sea. The sparsely populated interior consists of dense tropical forests giving way to grassland savannahs near the Surinam border and in the southwest. In the west the Pakaraima mountain range stretches along the Venezuelan and Brazilian borders and consists of plateaus and a 9,000 foot peak. Most transportation is by river and internal air services, and there is a crucial need for roads linking the interior to the coast.

3. Population: As of 31 December 1959 the estimated population was 557,960, comprising 268,710 East Indians (nearly 50 percent), 186,800 Negroes (nearly 35 percent), 64,020 of mixed colored descent; 7,700 Portuguese, 5,000 other Europeans.

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3,400 Chinese, and 22,240 Amerindians. Because of a higher birth rate, the East Indians annually increase their percentage of the population; the high percentage of children in the East Indian population accounts for the fact that only about a third of the voting-age population is East Indian. The Portuguese were among the original colonists of Guiana starting in the sixteenth century, and the territory came under British sovereignty in 1814. The East Indians and Chinese are the descendants of indentured servants and the Negroes of slaves imported to work the sugar and rice plantations. The Negroes currently consider themselves an underprivileged group and this view has been fanned by Burnham's accentuation of Negro racialism. The Amerindian natives in the interior have tended to keep to themselves.

4. Resources: British Guiana main resource is bauxite, of which it provides approximately 20 percent of the free world's supply--exporting mainly to Canada. Reynolds Metals is also mining bauxite and a subsidiary of Union Carbide is mining manganese. There is also mining of gold and diamonds. The colony is thought to be potentially rich in other minerals including columbite, tantalite, and iron. The tropical hardwood forests would be suitable for exploitation, as would the savannahs for cattle-raising except for the lack of roads and the lack of capital to build them. A loan offered by Cuba last August for

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development of a timber industry appears to have fallen through. With a surplus of both land and unskilled labor, British Guiana's principal lack is capital.

5. Production: The principal products are cane sugar, rum, rice, bauxite, gold, diamonds, timber, cigarettes, margarine, and edible oil, and miscellaneous consumer products. Gross Domestic Product was estimated at BWI \$240,000,000 (\$1 BWI = .59¢ US) in 1960, up 11 percent from 1959.

6. Trade: The economy is greatly dependent on exports (which comprise some 45 percent of the gross domestic product) and the colony is extremely vulnerable to shifts in world demand for primary products, as sugar, bauxite, rice, and timber account for about 90 percent of exports. British Guiana generally runs a deficit on visible trade, almost half of which is conducted with Britain and secondarily Canada. The United States stands in second place to the United Kingdom as a supplier of foods and manufactured articles.

7. Unemployment: This is a major problem, with a high of around 18 percent.

8. Development Program: The current 5-year development program (1960-64) totals 264,400,000, of which Britain may finance about half. The remainder is to come from annual budget surpluses, local loans, and external loans---e.g. from the IBRD (\$1,250,000 just granted), the U.S. Development Loan

fund etc. The program concentrates on agricultural development, transport, miscellaneous surveys and educational and health projects.

9. Military and Police: There is a garrison in the colony of about 300 British troops to assist in internal security duties if needed. The largely Negro police force might be unreliable if used by the predominantly East Indian PPP against the Negro PNC. The present Minister of Police is a PPP party leader. There has been no significant election violence so far, but the British believe that Burnham's irresponsible racist agitation might trigger serious violence during and after the election period.